

CHANNEL PROGRAM PARTNER AGREEMENT

THIS CHANNEL PROGRAM PARTNER AGREEMENT (the “**Agreement**”) is entered into and effective as of this ___ day of _____, 20__ by and between Paton Inc., a Florida corporation with principal place of business of 1932 Tyler St. Hollywood, FL 33020 (“**Paton**”), and _____, a _____ corporation located at _____ (“**Partner**”). Paton and Partner are collectively referred to as “parties” in this Agreement and Partner is referred to as “its” in this Agreement.

For the consideration exchanged herein and other good and valuable consideration, receipt of which is acknowledged by the parties, the Parties agree as follows:

1. SERVICES

A. Paton hereby retains the services of Partner to market and sell Paton’s services or products. Paton shall provide Partner with marketing materials only to perform its services hereunder. Paton has absolute control and discretion in the creation of and provision of marketing and other materials to Partner, and Partner shall not alter or change the materials, samples, documents or other products that Paton provides Partner unless previously approved by Paton in writing. Partner agrees that its services will consist solely of marketing and selling Paton’s Services to prospective clients of Paton (“**Clients**”) (unless set forth otherwise in an Exhibit). In addition, all of Partner’s services to Clients must be truthful, correct and must not mislead or misrepresent in any fashion. This Agreement shall refer to “Client” as an individual or entity that contracts Paton to provide Services as a result of Partner’s services. In order to be considered a Client, the individual or entity must purchase the Service offered through Paton’s call center or web based applications developed for this purpose and first sign the Paton Service Agreement. All service and administrative issues related to Paton Services will be handled exclusively by Paton.

B. Partner is an independent contractor and its employees and officers are neither employees nor agents of Paton. Partner is not entitled to or eligible for any benefits or programs provided by Paton to its employees.

2. TERM OF THE AGREEMENT

The initial term of this Agreement shall be for one (1) year from the effective date of this Agreement and it shall be renewed automatically upon the expiration of the initial term and each renewal term for successive one (1) year terms on the anniversary of the effective date of the Agreement (collectively “**Term**”) unless either party notifies the other party in writing at least thirty (30) days prior to the expiration of the respective term of it/her/his intent not to renew this Agreement. Term is defined to include renewal terms in this Agreement.

3. COMPENSATION

A. Paton will pay Partner a commission for its services, pursuant to Exhibit A, attached hereto. This commission will be based solely on the listed percentage or amount from collected amounts for Service fees received by Paton from each Client for each Service sold by Paton to Client as set forth in Exhibit A. Paton will invoice Clients directly for Services rendered to Clients and will pay to Partner its commission by the fifteenth day of each month for payments received from Clients for Services rendered the previous month. Notwithstanding the foregoing or anything contrary in this Agreement including Exhibits, Paton is not obligated to make or issue a payment to Partner in any given month until such time as the accrued commissions or compensation owed to Partner exceeds fifty dollars (\$50) no matter how many months it takes to accumulate in excess of fifty dollars (\$50) in commissions or compensation. If Client does not pay Paton, Paton has no obligation or responsibility to pay Partner any commission or other compensation, it being understood and agreed to by the parties that Partner gets paid only if Paton gets paid. Furthermore, if Client or credit card entity executes a chargeback on a payment made to Paton and Paton paid commissions to Partner for that payment, the amount of the respective commission previously paid for the amount charged back will be deducted in the next immediate payment of commissions until fully applied. If there are not sufficient future commissions due to Partner to fully deduct the respective commissions previously paid for the amount charged back, Partner shall immediately pay Paton for the balance of the respective commissions previously paid for the amount charged back.

B. Partner will pay for its own costs of operation, including out-of-pocket expenses incurred in the performance of this Agreement. Paton's only financial obligation to Partner is to provide to Partner the aforementioned marketing materials and compensation.

C. All Commissions described in Exhibit A are exclusive of all sales, use and other taxes and government fees. Partner is responsible for paying any and all pertinent federal, state, municipal, local or other government sales, use, excise or other taxes, fees or charges as a result of this Agreement.

4. OWNERSHIP RIGHTS

A. All copyrights, websites, corporate names, service marks, trademarks, trade names, logos, marketing materials, domain names, software and all other intellectual property and goodwill associated therewith originating with Paton or provided by Paton to Partner (collectively referred to as "Intellectual Property") belong to Paton, Inc., a Florida corporation, or a related or affiliated entity of Paton and are the exclusive property of Paton, Inc., or a related or affiliated entity of Paton. Partner does not have a right or license to use any of such properties belonging to Paton, Inc., or a related or affiliated entity of Paton without the prior written consent of Paton.

B. Partner cannot create, use or present to a third party any marketing materials, sample products or other materials in connection with Paton's Services other than those provided to Partner by Paton, without the prior written consent of Paton.

C. Upon the expiration of this Agreement or termination of this Agreement for any reason, or upon receipt of such a request from Paton, Partner shall immediately cease and desist from all use of Paton's marketing materials, products (including software and hardware), Intellectual Property and all other materials Paton may have provided to Partner (collectively "Property") and forthwith deliver or cause to be delivered to Paton any and all Property in Partner's possession, custody or control, including sample phones, and all copies thereof, as well as all Property in the possession, custody or control of third party(ies) to whom Partner has provided Property.

5. CONFIDENTIALITY

In connection with this Agreement, Paton may have disclosed, or may disclose to Partner, or Partner may otherwise obtain certain confidential and/or proprietary information and materials, including without limitation trade secrets, intellectual property, customer lists, technology and software, concerning Paton's, Paton, Inc.'s, or a related or affiliated entity of Paton's business or services, customers, affiliations, subcontractor relationships, pricing methods and/or business and/or marketing strategies (collectively "Confidential Information"). Partner will use the Confidential Information exclusively for purposes of the strict performance of Partner's duties under this Agreement and will not directly or indirectly at any time hereafter disclose the Confidential Information for any purpose whatsoever to any persons, firms, corporations or other entities (hereinafter referred to collectively as "Third Parties"), or use, cause or authorize any Third Parties to use, any such Confidential Information, except as otherwise required by law or to the extent that the information or materials become publicly known other than through the actions or inactions of Partner. As used in this section, the term "disclose" means to reveal, deliver, divulge, disclose, publish, copy, communicate, show or otherwise make known or available to any other person, firm or entity, or in any way to copy, any Confidential and Proprietary Information. As used in this paragraph, the term "use" means to appropriate or implement any Confidential and Proprietary Information for the benefit of one's self or any person, firm or entity.

Partner shall not have a right to use and shall not provide or disclose to others any Confidential Information upon termination or expiration of this Agreement. Immediately upon termination or expiration of this Agreement, Partner shall (1) return to Paton or, if requested by Paton in writing, destroy all documents, electronic or written, and all other materials containing Confidential Information and (2) certify in writing to Paton, within three (3) days of the return or destruction of the documents and materials, that Partner has returned or destroyed, as applicable, the documents and materials containing Confidential Information.

6. NONSOLICITATION AND RESTRICTIONS

A. Partner acknowledges that:

Paton, Inc. and their affiliates have each made significant investment in the development, maintenance and preservation of its Confidential Information and its trade secrets, marketing methodology, relationship with its various past, present or future customers, vendors, employees and contracted individuals and entities in the development and maintenance of its distributorship rights, in the hiring, training and development of its employees and in the development, maintenance and preservation of its goodwill, including that associated with its name, various trademarks and other intellectual property (collectively "Intangible Business Assets").

Paton, Inc. and their affiliates have a legitimate business interest in maintaining and protecting the value of these Intangible Business Assets and in preventing the unauthorized use or misappropriation of any one of the same.

The use of any of these Intangible Business Assets other than in furtherance of the business interests of Paton would provide the unauthorized user with an unfair competitive advantage and would be detrimental to Paton.

B. In view of (A) the above acknowledgments by Partner, (B) the Confidential Information known to and to be obtained by or disclosed to Partner (including, without limitation, Partner's knowledge of, and familiarity and relationships with, Paton's other employees, contracted entities or individuals, customers and suppliers), (C) the Intangible Business Assets to be utilized by Partner, and (D) the know-how acquired and to be acquired by Partner; Partner covenants and agrees that:

(1) During the Term of this Agreement and any renewal and for a period of two (2) years following the termination or expiration of this Agreement, regardless of the reason for termination thereof, Partner will not directly or indirectly solicit, entice, encourage, or cause, any employee, or contracted entity or individual of Paton or any affiliate of Paton to leave the employ of or contract with Paton or any affiliate of Paton, nor will Partner, directly hire, contract with or cause or assist another person or entity to hire or contract, any such employee, individual or entity who was an employee or contracted entity or individual of Paton or any Paton affiliate during the greater of the Term of this Agreement and any renewal or, if after this Agreement expires or is terminated for any reason, within the one (1) year period prior to the termination or expiration of the Agreement.

(2) During the Term and any renewal Partner shall not (1) submit a quotation for, or offer to sell or sell, directly or indirectly, or otherwise solicit any product or service competitive with Paton or a Paton affiliate to any Client ("Client" is an individual or entity that contracts Paton to provide Services as a result of Partner's services pursuant to this Agreement) or (2) otherwise solicit the business of any Client.

(3) During the Term, any renewal and the two (2) year period after termination or expiration of this Agreement, Partner shall not obtain for resale from any major supplier of Paton any products of the type that Paton purchases, or has purchased within one (1) year prior to the termination of this Agreement. A major supplier of Paton is one whose

products account for one-half (½%) percent or more of the sales of Paton viewed as a group.

C. Partner acknowledges that Partner has carefully read and considered the provisions of this Agreement and, having done so, agrees that the restrictions and remedies set forth (including, but not limited to, the time period, geographical areas and types of restrictions imposed) are fair and reasonable and are reasonably required for the protection of the business, trade secrets, interests and goodwill of Paton.

7. DEFEND/INDEMNIFY/HOLD HARMLESS

Partner agrees to defend, indemnify and hold harmless Paton, its present and former officers, directors, shareholders, employees, affiliates, subsidiaries, related companies, agents and representatives from all claims, demands, judgments, liabilities and damages, including punitive damages, in connection to, arising from or relating to any breach by Partner of any obligations under this Agreement and any illegal, wrongful or unauthorized conduct by Partner, including without limitation any illegal, wrongful or unauthorized use of the marketing materials or other materials provided by Paton hereunder or any misrepresentation concerning Paton, its affiliates or their services, materials, or products to any entity or individual or any violation of the rights of others or government laws and regulations, including privacy laws and regulations.

8. DEFAULT AND TERMINATION

A. Either party may terminate this Agreement in the event the other party commits a material breach of this Agreement and such breach remains uncured for fifteen (15) days following receipt of written notice from the non-breaching party specifying the breach. The date of termination shall be the last day of the fifteen (15) day notice period. Partner shall be considered to have breached the Contract and Paton is entitled to immediately terminate this Contract effective on written notice with no opportunity to cure if Partner, as determined by Paton in its sole and absolute discretion, violates Section 4, 5 and/or 6, including any of Paton's ownership rights as set forth in Section 4 above, misrepresents to any entity or individual concerning Paton's or its affiliates' services, materials or products, violates any government law or regulation or the privacy rights or other rights of third parties, or performs an act or omission that reflects negatively or adversely on Paton, its affiliates and/or their services or products. In the event Paton terminates this Agreement under this subsection, Partner will lose its right to receive any commissions for Services purchased by Clients.

B. Either party may terminate this Agreement without cause, by giving the other party at least thirty (30) days prior written notice. The date of termination shall be the last day of the thirty (30) day notice period. Notwithstanding anything contrary in this Agreement, in the event Paton terminates this Agreement under this subsection or the Term of this Agreement expires, Partner will continue to receive commissions for Services purchased by Clients until such time that (1) Paton no longer provides Services

to Client, (2) Partner sells, commercializes or is involved in any way in the marketing or commercialization of products or services competitive with those sold by Paton or its affiliates under this Agreement or solicits a Client for services or products competitive with those of Paton at any time, (3) Partner breaches this Agreement in any manner or (4) Paton, in whole or in part, merges with, or is sold, to another person or entity. In the event Partner terminates this Agreement under this subsection, Partner will lose its right to receive any commissions for Services purchased by Clients.

C. Partner must provide at least one (1) qualified lead for Paton's Services per quarter. In the event Partner fails to refer at least one (1) qualified lead for Paton's Services per quarter, any commission or other amounts under this Agreement will no longer be paid to Partner.

9. LIMITATION OF DAMAGES/DAMAGES.

PATON SHALL NOT BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS, LOSS OF USE OR INTERRUPTION OF BUSINESS) OR PUNITIVE DAMAGES ARISING UNDER THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION GIVING RISE TO THE DAMAGES, WHETHER IN CONTRACT, TORT OR OTHERWISE, EVEN IF Paton IS NOTIFIED OF THE POSSIBILITY OF THE DAMAGES OR THAT THE DAMAGES ARE FORESEEABLE.

Paton shall not be liable for any delay or failure to perform under this Agreement due to conditions or circumstances beyond its control, including without limitation, Acts of God, floods, fires, riots or sabotage, wars, accidents, strikes, terrorism, freight embargoes, delay in transportation or inability to secure transportation, shortage of labor, material or equipment and/or an act in compliance with any government law or regulation.

Paton's total aggregate liability and Partner's exclusive remedy for any claim in connection with this Agreement shall not be greater than the total paid to Partner in commissions for the first six (6) months of this Agreement, as the agreed upon damages and not as a penalty.

10. EQUITABLE RELIEF

Partner acknowledges that Paton will suffer irreparable harm as a result of a breach of Partner's obligations under Sections 4, 5, and/or 6 and/or any other restrictions, including restrictive covenants, in this Agreement, for which an adequate monetary remedy does not exist and a remedy at law may prove to be inadequate. Accordingly, in the event of any actual or threatened breach by Partner of this Agreement, Paton shall, in addition to any other remedies permitted by law, be entitled to obtain remedies in equity, including, but not limited to, specific performance, injunctive relief, a temporary restraining order, and/or a preliminary and/or permanent injunction in any court of competent jurisdiction, to prevent or otherwise restrain a breach of Sections 4, 5, and/or 6 and/or any other restrictions, including restrictive covenants, in this Agreement without the necessity of

The parties agree that any ambiguity in this Agreement shall not be construed against the drafting party.

14. COMPLIANCE WITH THE LAW/PERFORMANCE/NO VIOLATION OF OTHER AGREEMENTS

Both parties shall comply with all applicable laws and regulations in their performance under this Agreement, and Partner shall not violate the rights of Paton and/or others in any manner, including privacy rights and intellectual property rights, and the failure to abide by the foregoing shall constitute a material breach of this Agreement. Partner shall not make any misrepresentation or incorrect statement concerning Paton's Services or products or that of its affiliates to any person or entity.

Partner represents and warrants that it is a lawfully organized business entity in good standing in all jurisdictions in which it provides services. Partner further represents and warrants that Partner will not violate any agreement, law or regulation by entering into this Agreement and/or performing Partner's services hereunder.

Partner warrants and represents that Partner's services shall be properly performed and provided according to industry standards.

15. ASSIGNABILITY/DELEGATION OF RIGHTS

Partner acknowledges that it cannot sell, transfer or assign this Agreement and its rights and obligations hereunder to any other person or entity without the prior written consent from Paton. In addition, Partner cannot delegate its rights or obligations to any third party without the prior written consent of Paton. This Agreement and the rights and obligations hereunder may be assigned by Paton.

16. MODIFICATION AND AMENDMENT/NO WAIVER

All modifications and amendments to this Agreement must be in writing and signed by the parties hereto and specifically refer to this Agreement. Paton cannot waive any right, term or provision of this Agreement unless it agrees to in writing.

17. SEVERABILITY

In the event that any of the provisions of this Agreement or the application of any such provisions to the parties hereto are held by a court of competent jurisdiction to be unlawful or unenforceable, the provision and its application shall be construed to allow for its enforceability to the maximum extent permitted by law and the remaining provisions of this Agreement shall remain in full force and effect, and shall not be affected, impaired, or invalidated in any manner.

18. SURVIVAL

Sections 1 and 3 through 20 shall survive termination of this Agreement as applicable.

**19. ENTIRE AGREEMENT/FACSIMILE/
COUNTERPARTS/MISCELLANEOUS**

This Agreement and any Exhibits hereto contains the entire and only understanding between the parties and supersedes all prior representations, promises or agreements, either written or oral, relating to the subject matter hereof. Headings are only for convenience and do not form part of this Agreement. A facsimile copy of this Agreement shall be binding on the parties and this Agreement may be signed in counterparts which taken together shall be considered one and same instrument. In the event of a conflict or inconsistency between this Agreement and any Exhibit, the Exhibit will govern unless otherwise set forth herein.

20. ADVICE OF COUNSEL/FULLY UNDERSTAND/AUTHORITY

The parties hereto each represent and warrant that they have had sufficient time to review this Agreement and the opportunity to consult with attorney(s) and counsel of their choice and that they fully understand all of the terms and legal effect of this Agreement. By signing below, the signatory for Partner affirms that said signatory has the requisite authority to sign on behalf of Partner.

AGREED TO AND ACKNOWLEDGED BY:

Partner

Paton, Inc.

Print Name: _____

Print Name: _____

Position (if appl.) : _____

Position: _____

Date: _____

Date: _____

EXHIBIT A

This Exhibit A forms part of the Partner Agreement dated effective as of this ___ day of _____, 20___ between Paton, Inc. (“Paton”) and _____ (“Partner”).

Partner shall receive the following in compensation:

- (1) Partner will receive the first month amount paid by Client and collected by Paton for each Service that is charged a fixed monthly recurring fee. Partner shall not receive any compensation or commissions from Service activations, hardware sales or lease, installation fees, and taxes.
 - a. From time to time Paton can provide monthly or quarterly promotions with upfront commissions higher than one-month worth of revenue. During these promotion periods, upfront commissions paid to Partner will be adjusted accordingly.

- (2) Beginning with the payment of the second monthly recurring fee, Partner will receive:
 - a. Twenty percent (20%) of collected amounts received by Paton from Clients for Website Referrals;
 - b. Twenty percent (20%) of collected amounts received by Paton from Clients for Video Referrals;
 - c. Ten percent (10%) of collected recurring amounts received by Paton from Clients for SEO; and
 - d. Ten percent (10%) of collected recurring amounts received by Paton from Clients for Reputation Management.

Partner will receive the above percentage of collected amounts for the term of this Agreement so long as Partner refers at least one (1) qualified lead for Paton’s Services per quarter.